



Senate

General Assembly

File No. 342

January Session, 2009

Substitute Senate Bill No. 73

Senate, March 31, 2009

The Committee on Higher Education and Employment Advancement reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE SOLICITATION OF CREDIT CARDS TO COLLEGE STUDENTS AND THE MANAGEMENT OF STUDENT CREDIT CARD DEBT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2009*) On or before January 1, 2010,
- 2 the Board of Governors of Higher Education shall adopt policies
- 3 regulating the marketing practices of credit card issuers on the
- 4 campuses of public institutions of higher education. Such policies shall
- 5 (1) require credit card issuers to register with the public institution of
- 6 higher education before conducting any marketing activities on the
- 7 campus of such institution; (2) require such registered issuers to
- 8 conduct debt education seminars for all incoming students on the
- 9 campuses of such public institutions during the orientation period; (3)
- 10 prohibit credit card issuers from soliciting undergraduate students
- 11 during the orientation and class registration periods or at
- 12 intercollegiate athletic events; (4) require credit card issuers that
- 13 engage in marketing practices at public institutions of higher

14 education to distribute debt education materials along with any
15 marketing materials; (5) prohibit public institutions of higher
16 education and alumni associations and foundations of such
17 institutions of higher education from selling identifying information of
18 a student or graduate to credit card issuers; (6) prohibit employees of
19 such public institutions from marketing credit cards to students; (7)
20 restrict the time and place in which credit card marketing may occur;
21 and (8) prohibit the use of gifts and incentives in such marketing.

22 Sec. 2. (NEW) (*Effective July 1, 2009*) (a) No credit card issuer shall
23 take any debt collection action, including, but not limited to, telephone
24 calls or demand letters, against the parent or legal guardian of a
25 student to whom a credit card has been issued, unless the parent or
26 legal guardian has agreed in writing to be liable for the debts of the
27 student pursuant to the terms of the credit card agreement.

28 (b) For the purposes of this section, "student" means a person who is
29 under twenty-one years of age and enrolled in an institution of higher
30 education on a full or part-time basis.

31 Sec. 3. Section 10-16b of the general statutes is repealed and the
32 following is substituted in lieu thereof (*Effective October 1, 2009*):

33 (a) In the public schools the program of instruction offered shall
34 include at least the following subject matter, as taught by legally
35 qualified teachers, the arts; career education; consumer and personal
36 finance management education; health and safety, including, but not
37 limited to, human growth and development, nutrition, first aid,
38 disease prevention, community and consumer health, physical, mental
39 and emotional health, including youth suicide prevention, substance
40 abuse prevention, safety, which may include the dangers of gang
41 membership, and accident prevention; language arts, including
42 reading, writing, grammar, speaking and spelling; mathematics;
43 physical education; science; social studies, including, but not limited
44 to, citizenship, economics, geography, government and history; and in
45 addition, on at least the secondary level, one or more foreign
46 languages and vocational education. For purposes of this subsection,

47 [language arts] (1) "language arts" may include American sign
48 language or signed English, provided such subject matter is taught by
49 a qualified instructor under the supervision of a teacher who holds a
50 certificate issued by the State Board of Education; [. For purposes of
51 this subsection, the "arts"] (2) the "arts" means any form of visual or
52 performing arts, which may include, but not be limited to, dance,
53 music, art and theatre; and (3) "consumer and personal finance
54 management education" means instruction on topics including, but not
55 limited to, using credit wisely, banking, expenses, income and the
56 stock market.

57 (b) If a local or regional board of education requires its pupils to
58 take a course in a foreign language, the parent or guardian of a pupil
59 identified as deaf or hearing impaired may request in writing that such
60 pupil be exempted from such requirement and, if such a request is
61 made, such pupil shall be exempt from such requirement.

62 (c) Each local and regional board of education shall on September 1,
63 1982, and annually thereafter at such time and in such manner as the
64 Commissioner of Education shall request, attest to the State Board of
65 Education that such local or regional board of education offers at least
66 the program of instruction required pursuant to this section, and that
67 such program of instruction is planned, ongoing and systematic.

68 (d) The State Board of Education shall make available curriculum
69 materials and such other materials as may assist local and regional
70 boards of education in developing instructional programs pursuant to
71 this section. The State Board of Education, within available
72 appropriations and utilizing available resource materials, shall assist
73 and encourage local and regional boards of education to include: (1)
74 Holocaust education and awareness; (2) the historical events
75 surrounding the Great Famine in Ireland; (3) African-American
76 history; (4) Puerto Rican history; (5) Native American history; [(6)
77 personal financial management; and (7)] and (6) topics approved by
78 the state board upon the request of local or regional boards of
79 education as part of the program of instruction offered pursuant to

80 subsection (a) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009</i>	New section
Sec. 2	<i>July 1, 2009</i>	New section
Sec. 3	<i>October 1, 2009</i>	10-16b

Statement of Legislative Commissioners:

In sections 1 and 2 "credit card issuer" and "issuers" were substituted for "credit card company" and "companies" for conformity with the terminology used in other provisions of the general statutes.

HED *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Education, Dept.	GF - Cost	50,000-100,000	50,000-100,000
State Technical High Schools	GF - Cost	Potential Significant	Potential Significant

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$
Local and Regional School Districts	STATE MANDATE - Cost	Potential Significant	Potential Significant

Explanation

Section 1 of the bill requires the Board of Governors of Higher Education to adopt policies regulating how credit card issuers can market their credit cards at public institutions of higher education, and is not anticipated to result in a fiscal impact.

Section 2 prohibits any credit card issuer from taking debt collection action against the parent or legal guardian of a student unless the parent or legal guardian has agreed, in writing, to be held liable for the student's debt, and is not anticipated to result in a fiscal impact.

Section 3 requires that public schools offer personal finance management as a new program of instruction. Adding an additional program of instruction requires the State Department of Education (SDE) to develop new curriculum for local and regional school districts, as well as for vocational-technical high schools. The average cost of curriculum development is between \$50,000 and \$100,000.

Additionally, local and regional school districts and vocational-technical high schools would be required to offer the new program of instruction to students. This could result in a potential significant cost, associated with purchasing new materials and obtaining additional qualified staff to teach the new program.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, except for the provision contained in **Section 3** related to curriculum development, which is a one-time cost.

OLR Bill Analysis**sSB 73*****AN ACT CONCERNING THE SOLICITATION OF CREDIT CARDS TO COLLEGE STUDENTS AND THE MANAGEMENT OF STUDENT CREDIT CARD DEBT.*****SUMMARY:**

Under current law, public schools must offer consumer education as part of the required program of instruction. This bill requires that they offer consumer and personal finance management education, which it defines as instruction on topics including (1) using credit wisely, (2) banking, (3) expenses, (4) income, and (5) the stock market. The bill eliminates the requirement that the State Board of Education help and encourage local and regional school boards to include personal financial management as part of their programs of instruction.

The bill also requires the Board of Governors of Higher Education (BOG) to adopt policies regulating how credit card issuers can market their credit cards on public college and university campuses.

The bill prohibits any credit card issuer from taking debt collection action, including telephone calls or demand letters, against the parent or legal guardian of a student to whom it has issued a credit card, unless the parent or legal guardian has agreed in writing to be held liable for the student's debts, pursuant to the credit card agreement's terms. This applies to students, up to age 21, enrolled in public or private higher education institutions on a full- or part-time basis. (The bill does not specify a penalty for violators.)

EFFECTIVE DATE: July 1, 2009

ON-CAMPUS CREDIT CARD MARKETING POLICIES

The BOG's policies must require issuers seeking to conduct on-

campus marketing activities to (1) register with the school beforehand, (2) conduct on-campus debt education seminars for all incoming students during orientation, and (3) distribute debt education materials along with any marketing materials. They must also prohibit:

1. issuers from soliciting undergraduate students during orientation, class registration periods, or intercollegiate athletic events;
2. the schools, or their alumni associates and foundations, from selling a student's or graduate's identifying information to credit card issuers;
3. the schools' employees from marketing credit cards to students; and
4. the use of gifts and incentives as part of the marketing activities.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 12 Nay 5 (03/17/2009)